



Legislative Background Brief

for the
Economic Affairs Interim Committee

October 2011

Montana Agriculture Development Council

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Administrative Appointments: By Governor. Members serve 3-year, staggered terms.

Statutorily Established - 2-15-3015, MCA. Duties/powers listed in Title 90, chapter 9.

Purposes:

- Establish policies and priorities to enhance future development of agriculture in Montana, including on Indian reservations.
- Make loans or grants under the Growth Through Agriculture Act (in Title 90, chapter 9) to stimulate agriculture development and diversification in rural, urban, and tribal settings;
- Accept grants or other financing or property for use in making grants or loans.
- Adopt rules to establish interest rates, terms of loans or grants, reports required, and deferral or loan forgiveness terms.

Funds available for distribution by Montana Agriculture Development Council

- \$625,000 annually from coal severance tax collections under 15-35-108, MCA, until July 1, 2013, then \$1.25 million annually until June 30, 2019. Statutorily appropriated.
- \$366,678 for FY 2012 and \$366,631 for FY 2013 specifically appropriated through the Coal Tax Shared State Special Revenue Account.
- \$142,292 in FY 2012 and \$187,658 in FY 2013 from the seed capital account under 90-9-301, MCA.

Budget, FY 2012-FY2013

	FY 2013 FTE	General Fund	State Other	Total All
Montana Agriculture Development Council	5.00	\$1,250,000 (for grants & staffing)	\$1,063,259 (for grants & staffing)	\$2,313,259

Source: Legislative Fiscal Division

Board: 7 members. Members include the directors of the Department of Agriculture and the Department of Commerce plus five members actively engaged now or in the past in agriculture.

Members/Address	Representing	Term Expires
Ron de Yong	Dept of Agriculture director	statutory
Dore Schwinden	Dept of Commerce director	statutory
Verges Ageson, Gildford	Agriculture	7/1/2013
Bill Koenig, Kalispell	Agriculture	7/1/2014
David Tyler, Belgrade	Agriculture	7/1/2014
Ervin Schlemmer, Joliet	Agriculture	7/1/2013
Patricia Quisno, Harlem	Agriculture/ Council member - Fort Belknap	7/1/2014

Topics of Interest

- Organizations to which grants and loans are made.
- Is the Council necessary or could its duties be handled by a department?
- Should the temporary nature of the coal severance tax funding be made permanent?

2011 Legislation Affecting Montana Agriculture Development Council

None

Audits

- Financial Compliance Audit, October 2005, made recommendations for better documentation of Agriculture Development Council decisions related to loan deferment and forgiveness as well as accounting procedures. Department made changes.

Projects Funded in April 2011

<i>Project</i>	<i>Location</i>	<i>Amount</i>
MT Hog Marketing Association to research plant waste disposal and possible uses of waste byproducts plus strategic plan to supply beef to a hog/beef processing facility.	Malta	\$50,000 grant
Wayfare, Inc. for equipment to expand production of gluten-free oat and millet-based nondairy products.	Bozeman	\$50,000 grant
Great Falls Development Authority to assist with engineering work for the Great Falls Agri-Tech Park, an area for agri-processing companies	Great Falls	\$50,000 grant
Montana Specialty Mills, LLC to assist with engineering costs associated with building a new oilseed processing plant.	Great Falls	\$49,450 grant
Montana Wagyu Cattle Co., LLC, to purchase equipment to help expand retail operations	Belgrade	\$35,000 grant
Ten Spoon Vineyard and Winery to help expand the vineyard	Missoula	\$27,938 grant
Wustner Brothers Honey for equipment to expand the business	Missoula	\$10,000 grant
Lake County Community Development Corp. for facility upgrades to its processing facility	Ronan	\$10,650 grant
XL Feeds, LLC for equipment to expand hay pelleting business	Kalispell	\$60,000 loan
Safflower Technologies International LLC for equipment to help increase storage, handling, and processing of peas, lentils, dry edible beans, chickpeas, and soybeans	Sidney	\$71,000 loan